

## CHART OF ACCOUNTS

### 3-0400.00 BALANCE SHEET ACCOUNT DEFINITIONS

#### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS

##### Assets and Other Debits - Budgeting/Nominal Accounts

Assets and Other Debits include what is owned and other items not owned as of the date of the balance sheet but expected to become fully owned at some future date. Budgeting and Nominal Accounts include control accounts 401 Estimated Revenue and Other Financing Sources and 402 Revenue and Other Financing Sources and are used for interim reporting purposes only. See Topic 3.0300.30 and 3.0700.10.

Code	Definition
<b>Assets</b>	
101	<b>Cash and Cash Equivalents.</b> All currency, coin, checks, money orders, and bank drafts on hand or on deposit with the county treasurer normally in non-interest bearing accounts. Include extracurricular savings accounts and certificate of deposits or other interest bearing instruments maturing within 90 days. See Section 20-9-212(1), MCA. The amount reported as Cash on the Trustees Financial Summary should be the total of cash less warrants payable account 620.
103	<b>Petty Cash.</b> A sum of money set aside for the purpose of paying small obligations for which the issuance of a formal voucher and warrant would be too expensive and time consuming. See Topic 5-1100.
104	<b>Change Cash.</b> A specific sum of money kept on hand to provide change in currency or coin.
105	<b>Cash with Fiscal Agents.</b> Deposits with fiscal agents, such as commercial banks, for the payment of matured bonds and interest.
110	<b>Investment Accounts Outside County Treasurer.</b> See Section 20-9-235, MCA
111	<b>Investments.</b> Securities held for the production of income in the form of interest. See Section 20-9-213(4), MCA and Topic 5-0900. Includes equity in shared investment pools under 20-9-213(4), MCA.
112	<b>Increases and Decreases in the Fair Value of Investments.</b> To report gains or losses on investments at market or fair value per GASB 31.
113	<b>Unamortized Discounts on Investments (Normal Credit Balance).</b> The excess of the face value of securities over the amount paid for them which has not yet been written off. Use of this account is normally restricted to long-term investments.
114	<b>Interest Receivable on Investments.</b> The amount of interest earned on investments but not yet received in cash. This amount is usually calculated at the end of each fiscal year. Accrued interest purchased should be recorded in account 115. See Topic 5-0900.
115	<b>Accrued Interest on Investments Purchased.</b> Interest accrued on investments between the last interest payment date and date of purchase. The account is carried as an asset until the first interest payment date after date of purchase. Upon receipt and deposit of the interest, an entry is recorded debiting cash and crediting the Purchased account for the amount of interest purchased and crediting the 1510 Interest Earnings revenue account for the balance. See Topic 5-0900.

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
120	<b>Taxes Receivable-Real Property.</b> The uncollected portion of real property taxes which a school district has levied and which has become due. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
129	<b>Allowance for Uncollectible Taxes - Real Property (Normal Credit Balance).</b> The portion of real property taxes receivable estimated not to be collectable. The account is shown on the balance sheet as a deduction from the Taxes Receivable account to arrive at the net taxes receivable.
130	<b>Taxes Receivable—Personal Property.</b> The uncollected portion of personal property taxes (including mobile homes) which a school district has levied and which has become due. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
139	<b>Allowance for Uncollectible Taxes—Personal Property (Normal Credit Balance).</b> The portion of personal property taxes receivable estimated not to be collectable. The account is shown on the balance sheet as a deduction from the Taxes Receivable account to arrive at the net taxes receivable.
140	<b>Taxes Receivable-Other.</b> The uncollected portion of other taxes which a school district has levied and which has become due. Separate accounts may be maintained on the basis of tax roll year and/or current and delinquent taxes. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
149	<b>Allowance for Uncollectible Taxes - Other (Normal Credit Balance).</b> The portion of other taxes receivable estimated not to be collectable. The account is shown on the balance sheet as a deduction from the Taxes Receivable account to arrive at the net taxes receivable.
150	<b>Taxes Receivable—Protested Taxes.</b> The undistributed portion of taxes paid under protest maintained in the County Protested Tax Fund pending final court disposition. Separate accounts may be maintained on the basis of tax roll year, current and delinquent, and type of tax. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the 680 deferred revenue account for the same amount. See Topic 5-0200.
159	<b>Allowance for Uncollectible Taxes—Protested Taxes (Normal Credit Balance).</b> The portion of protested taxes receivable estimated not to be collectable. The account is shown on the balance sheet as a deduction from the Taxes Receivable account to arrive at the net taxes receivable.
160	<b>Interfund/Loan Receivable from Other Funds.</b> An asset account used to record an amount owed by one fund to another fund in the same school district. This account normally has the same amount as account 601 Interfund/Loan Payable to Other Funds. See Topic 5-0500.

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
170	<b>Due from Other Funds.</b> An asset account used to indicate amounts receivable for goods or services provided to one fund by another fund in the same school district. This account normally has the same balance as account 606 Due to Other Funds. See Topic 5-0500.
180	<b>Due from Other Governments.</b> Amounts due to the reporting school district from another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected for the reporting unit by another unit, tuition, and charges for services rendered by the reporting district for another governmental entity. See Topic 5-0200.
190	<b>Accounts Receivable.</b> Amounts owing on open accounts from private persons, firms, or corporations for goods and services furnished by a school district (but not including amounts due from other funds or from other governmental units). See Section 2-18-704(3), 20-6-607, 20-7-507, 20-7-704, 20-9-509, 20-9-214, 20-10-122, 20-10-123, and 20-10-204, MCA and Topic 5-0200.
199	<b>Allowance for Uncollectible Accounts Receivable (Normal Credit Balance).</b> The portion of accounts receivable estimated not to be collectable. The account is shown on the balance sheet as a deduction from the Accounts Receivable account.
210	<b>Bond Proceeds Receivable.</b> An account used to designate the amount receivable upon sale of bonds.
220	<b>Inventories for Consumption - Material and Supplies.</b> The cost of supplies and materials on hand for future distribution to and consumption by requisitioning units. See Topic 5-0600.
230	<b>Inventories for Resale.</b> The value of goods held by a school district for resale rather than for use in its own operations. See Topic 5-0600.
240	<b>Prepaid Items.</b> Expenses entered in the accounts for benefits not yet received. Examples of prepaid expenses are prepaid rent, prepaid interest, and unexpired insurance premiums. See Topic 5-0700.
250	<b>Deposits.</b> Funds deposited by the school district as a prerequisite to receiving services and/or goods.

**Non-current Assets.** Those tangible assets which the school district intends to hold or continue in use over a long period of time greater than one year. Non-current assets include long-term receivables which are expected to be collected after one year or longer and fixed assets such as land, buildings, improvements, and equipment.

Fixed asset accounts are used in proprietary and fiduciary funds. See Topic 5-1200.

311	<b>Land.</b> A fixed asset account which reflects the acquisition value of land owned by a school district. If land is purchased, this account includes the purchase price and costs such as legal fees, filling and excavation costs, and other associated improvement costs which are incurred to put the land in condition for its intended use. If land is acquired by gift, the account reflects its appraised value at time of acquisition. Land is not depreciated. See Topic 5-1200.
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## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
321	<p><b>Land Improvements.</b> A fixed asset account which reflects the acquisition value of permanent improvements, other than buildings, which add value to land. Examples of such improvements are fences, retaining walls, sidewalks, pavements, gutters, tunnels, and bridges. If the improvements are purchased or constructed, this account contains the purchase or contract price. If improvements are obtained by gift, it reflects the appraised value at time of acquisition.</p> <p>By definition, "infrastructure assets" are immovable and of value only to the governmental unit (e.g., sidewalks, gutters, bridges). Land improvements are generally considered non-exhaustible assets because of their significantly long expected useful life. Therefore, land improvements are not normally depreciated. See Topic 5-1200.</p>
331	<p><b>Buildings and Building Improvements.</b> A fixed asset account which reflects the acquisition value of permanent structures used to house persons and property owned by the school district. If buildings are purchased or constructed, this account includes the purchase or contract price of all permanent buildings and fixtures attached to and forming a permanent part of such buildings. This account includes all building improvements. If buildings are acquired by gift, the account reflects their appraised value at time of acquisition. See Topic 5-1200.</p>
332	<p><b>Allowance for Depreciation of Buildings and Building Improvements (Normal Credit Balance).</b> Accumulated amounts for depreciation of buildings and building improvements. The recording of depreciation is required in proprietary and fiduciary funds.</p>
341	<p><b>Machinery and Equipment.</b> Tangible property of a permanent nature, other than land and buildings. Examples are machinery, tools, trucks, cars, buses, furniture, and furnishings. This account includes costs incurred in acquisition of machinery and equipment such as installation costs, freight, etc. If textbooks are considered fixed assets under Board policy, record their cost here. See Topic 5-1200.</p>
342	<p><b>Allowance for Depreciation of Machinery and Equipment (Normal Credit Balance).</b> Accumulated amounts for depreciation of machinery and equipment. The recording of depreciation is required in proprietary and fiduciary funds.</p>

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
351	<b>Construction Work in Progress.</b> The cost of construction work undertaken but not yet completed. This account is closed to 321 Land Improvements, 331 Buildings and Building Improvements, or 341 Machinery and Equipment as appropriate upon completion of construction. See Topics 5-1200 and 5-1400.
370	<b>Long-Term Receivables.</b> The long-term portion on amounts due to the school district from contracts, leases, or other long-term receivables. When initially established, long-term receivables are usually offset by crediting the 680 Deferred Revenue account for the same amount.

**Budgeting Accounts and Other Debits.** The 401 Estimated Revenues and Other Financing Sources account is a budget control account and has a debit balance. The 402 Revenue and Other Financing Sources Control account has a credit balance and is compared to 401 Estimated Revenues and Other Financing Sources account to determine the status of actual revenues collected or accrued. These nominal accounts are used for interim reporting purposes only. The 402 Revenue and Other Financing Sources Control account is closed to the 970 Fund Balance account and 401 Estimated Revenues and Other Financing Sources account is closed to 972 Budgetary Fund Balance at the end of the fiscal year.

401	<b>Estimated Revenues and Other Financing Sources Control Account (Normal Debit Balance/Budget Account).</b> This account normally has a debit balance and is used in conjunction with 801 Appropriations and 972 Budgetary Fund Balance. The total amount of estimated revenues and other financing sources to be received during the fiscal year is recorded in this account. This account is used only in budgeted funds and only appears in interim balance sheets prepared during the year. At the end of the fiscal year, this account is closed to 972 Budgetary Fund Balance and does not appear in the year-end balance sheet. See Topic 5-0200.
402	<b>Revenue and Other Financing Sources Control Account (Normal Credit Balance).</b> The total of all revenues and other financing sources recognized during a fiscal year. This represents the increases in net current assets of governmental type funds and net total assets for proprietary funds. On balance sheets prepared during the year for budgeted funds, this account is compared to 401 Estimated Revenues and Other Financing Sources account to determine the status of actual revenues collected or accrued. At the end of the fiscal period, this account is closed to 970 Unreserved Fund Balance and does not appear in a balance sheet prepared at the close of the fiscal period. See Topic 5-0200.

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
490	<b>Non-Budgeted Revenues - GAAP Purposes.</b> This account is offset by 890 Non-Budgeted Expenditures and is used for special GAAP reporting purposes for items such as capital leases. GAAP requires that the total principal portion of capital leases be recorded as revenue and expenditure in the year the capital lease is made. The 490 and 890 accounts are used to prepare GAAP financial statements and do not appear on the Annual Trustees Financial Summary which is prepared on the budgetary basis. See Topic 5-1330.

#### **Liabilities, Deferred Revenue, Budgeting, and Fund Equity Accounts**

Liability accounts are used to record debts or other amounts owed by the school district.

The 680 deferred revenue account is used to account for amounts which have met asset recognition criteria but not revenue recognition criteria. Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting a deferred revenue account for the same amount.

The 801 Appropriations account is a budget control account and has a credit balance. The 802 Expenditure and Other Uses and 803 Encumbrance Control Accounts have debit balances and are compared to the 801 Appropriations account for budget control purposes. These accounts are used only for interim reporting purposes during the year. The 802 Expenditure Control and Other Uses and 803 Encumbrance Control accounts are closed to the 970 Fund Balance account and the 801 Appropriations account is closed to 972 Budgetary Fund Balance at the end of the fiscal year.

Fund equity accounts represent the difference between fund assets and fund liabilities. Reserved fund equity accounts describe the portion of fund balance that is (1) not available for appropriation and/or (2) is legally segregated for a specific future use.

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
	<b>Current Liabilities.</b> Those debts the school district expects to pay within a short period of time, usually within a year or less.
601	<b>Interfund/Loan Payable to Other Funds.</b> A liability account used to record a debt owed by one fund to another fund in the same school district. This account normally has the same balance as account 160 Interfund/Loan Receivable from Other Funds. See Topic 5-0500.
606	<b>Due to other Funds.</b> A liability account used to indicate amounts owed for goods or services provided to one fund by another fund in the same school district. This account normally has the same balance as account 170 Due from Other Funds. See Topic 5-0500.
611	<b>Due to other Governments.</b> Amounts owed by the reporting school district to another governmental unit. These amounts may represent grants-in-aid, shared taxes, taxes collected by the reporting unit for another unit, loans, and charges for services rendered to the reporting district by another governmental entity. See Topic 5-0200.
620	<b>Warrants Payable.</b> Liability for warrants issued but unredeemed by the county treasurer. See Section 20-9-212, 20-9-220, 20-9-221, and 20-9-223, MCA. The balance in the warrants payable account should equal the total of the monthly list of outstanding unpaid warrants and is the reconciling item between the district and county treasurer. See A.R.M. 10.10.501(3). The amount reported as Cash on the Trustees Financial Summary should be the total of cash less warrants payable.
621	<b>Accounts Payable.</b> Liabilities on open account owing to private persons, firms, or corporations for goods and services received by a school district (but not including amounts due to other funds of the same school district or to other governmental units). See 20-9-207, 20-9-209, 20-9-210, 20-9-221, and 20-9-226, MCA and Topic 5-0300.
622	<b>Judgments Payable.</b> Amounts due to be paid by a school district as the result of court decisions, including condemnation awards in payment for private property taken for public use. See Section 20-9-161(3), 15-1-402(6)c and 20-9-403(e), MCA and Topic 5-1300.
623	<b>Registered Warrants Payable.</b> Liability for unredeemed warrants which have been registered for payment by the county treasurer. See Section 20-9-212 and 7-6-2604, MCA.
630	<b>Contracts Payable/Lease Obligations - Current.</b> Amounts due on contracts or leases for assets, goods, and services received by a school district. See Section 20-6-609, 20-6-625, 20-10-110, MCA and Topics 5-0300 and 5-1300.

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
631	<b>Construction Contract Retainage Payable.</b> Amounts due on construction contracts pending final inspection, or the lapse of a specified time period or both. The unpaid amount is usually a stated percentage of the contract price. See Topic 5-1400.
632	<b>Construction Contracts Payable.</b> Amounts due on contracts for construction of buildings, structures, and other improvements. See Topic 5-1400.
640	<b>Matured Bonds Payable.</b> Unpaid bonds which have reached or passed their maturity date. See Topic 5-1300.
641	<b>Bonds Payable - Current.</b> Bonds which have not reached or passed their maturity date but are due within one year or less. See Topic 5-1300.
642	<b>Unamortized Premiums on Bonds Sold.</b> This account is used only in Proprietary Funds. An account which represents that portion of the excess of bond proceeds over par value and which remains to be amortized over the remaining life of such bonds. For premiums received on general obligation bonds refer to definition for revenue source 5110.
650	<b>Notes or Loans Payable - Current.</b> Short-term tax anticipation notes or the current portion of long-term notes (see liability account 720) made with Board of Investments as provided by Section 7-6-1101 through 7-6-1116 and 20-9-471, MCA. See Topic 5-1300.
655	<b>Matured Interest Payable.</b> Unpaid interest on notes or bonds which have reached maturity date. See Topic 5-1300.
656	<b>Accrued Interest Payable - Current.</b> Accrued interest on registered warrants or notes and bonds which have not reached their maturity date but are due within one year or less. Occasionally bonds are sold in between interest payment dates. Accordingly accrued interest is paid by the bondholders at the time of the initial bond sale and then returned when the first interest payment is made. This accrued interest is recorded here. See Topic 5-1300.
660	<b>Accrued Operating Expenses Payable.</b> Operating expenses incurred in the current accounting period which are not payable until a subsequent accounting period. See Topic 5-0300.
661	<b>Accrued Salaries and Benefits Payable.</b> Salary and fringe benefit costs incurred during the current accounting period but which are not paid until a subsequent accounting period. See Topic 5-0300.



## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
670	<b>Payroll Deductions and Withholdings Payable.</b> Amounts deducted from employees' salaries for withholding taxes and other purposes. A separate liability account may be used for each type of deduction. See Topics 5-0300 and 5-0800. Includes a liability for unexpended cash balances from a flex plan from fund 95.
680	<b>Deferred Revenues.</b> The deferred revenue account is used to account for amounts which have met asset recognition criteria but not revenue recognition criteria of "measurable and available." Under modified accrual accounting, taxes receivable less allowances for uncollectible taxes are offset by crediting the deferred revenue account for the same amount. Rent or fees received in advance and long-term receivables such as the lease-sale of a building are other examples of deferred revenue. See Topic 5-0200.
690	<b>Deposits Payable.</b> Liability for deposits received as a prerequisite to receiving services and/or goods such as cash bid bonds or cash performance bonds. See Section 18-2-201, MCA.
695	<b>Due to Fiscal Agent.</b> Amounts due to fiscal agencies, such as commercial banks, for servicing a school district's matured indebtedness.
<b>Long-Term Liabilities.</b> The remaining portion of debt that is not due within the current year.	
710	<b>Bonds Payable/Non-Current.</b> The remaining principal on bonds which are not due within the current year. See Topic 5-1300.
720	<b>Notes Payable/Non-Current.</b> The non-current balance remaining due on notes made with the Board of Investments as provided in Section 20-9-471, MCA, or notes sold in anticipation of federal or state revenue as provided in Section 7-7-109, MCA. See Topic 5-1300.
730	<b>Lease Obligations/Non-Current.</b> Principal remaining to be paid on lease purchase agreements and capital leases. See Section 20-6-609, 20-6-625, 20-10-110 MCA. See Topic 5-1300.
740	<b>Contracts Payable.</b> Amounts remaining unpaid on contractual agreements including mortgages. See Topic 5-1300.
750	<b>Judgments Payable.</b> Long-term portion of judgments remaining unpaid. See Section 20-9-161(3), 15-1-402(6)c and 20-9-403(e), MCA. See Topic 5-1300.
760	<b>Compensated Absences Payable.</b> Accumulated liabilities for vacation and sick leave pay due to teaching or non-teaching personnel upon termination. See Topic 5-1300.
770	<b>Special Assessments Payable.</b> The remaining principal portion due on special assessments.

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
	<b>Budgeting/Nominal Accounts.</b> The 801 Appropriations account is a budget control account and has a credit balance. The 802 Expenditures and Other Uses Control account and 803 Encumbrances Control account have debit balances. On balance sheets prepared during the fiscal year, the 802 Expenditure and Other Uses Control and 803 Encumbrances Control account are shown as deductions from the 801 Appropriations account to arrive at the total unexpended balance of appropriations. These accounts are used only for interim reporting purposes during the year. The 802 Expenditure and Other Uses Control and 803 Encumbrance Control accounts are closed to the 970 Fund Balance account and the 801 Appropriations account is closed to 972 Budgetary Fund Balance at the end of the fiscal year.
801	<b>Appropriations (Normal Credit Balance/Budget Account).</b> This account normally has a credit balance and is used in conjunction with the 401 Estimated Revenues and Other Financing Sources account and 972 Budgetary Fund Balance account. The total amount of estimated expenditures and other financing uses is recorded in this account. This account is used only in budgeted funds and only appears in interim balance sheets prepared during the year. At the end of the fiscal year, this account is closed to 972 Budgetary Fund Balance and does not appear in the year-end balance sheet.
802	<b>Expenditures and Other Uses Control Account (Normal Debit Balance).</b> This account designates the total of expenditures paid or accrued in a fiscal year. On balance sheets prepared during the year for budgeted funds, this account is shown as a deduction from the 801 Appropriations account to arrive at the total unexpended and unencumbered balance of appropriations. This account is closed to 970 Unreserved Fund Balance and does not appear in the year-end balance sheet. See Topic 5-0300.
803	<b>Encumbrances Control Account (Normal Debit Balance/Budget Account).</b> This account designates obligations in the form of purchase orders, contracts, or salary commitments which are chargeable to an appropriation and for which part of the appropriation is reserved. On interim balance sheets, encumbrances are deducted along with the expenditures from the Appropriations account to arrive at the unencumbered balance of appropriations. At the end of the fiscal year, the balance in the Encumbrances account is usually transferred to 802 Expenditures Control (budgetary basis). This account usually does not appear in the year-end balance sheet. See Topic 5-0400.
890	<b>Non-Budgeted Expenditures - GAAP Purposes.</b> This account is offset by 490 Non-Budgeted Revenues and is used for special GAAP reporting purposes for items such as capital leases. GAAP requires that the total principal portion of capital leases be recorded as revenue and expenditure in the year the lease is entered into. The 490 and 890 accounts are used to prepare GAAP financial statements and do not appear on the Annual Trustees Financial Summary which is prepared on the budgetary basis. See Topic 5-1330.

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

Code	Definition
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**Fund Equity Accounts.** These accounts show the difference between fund assets and fund liabilities. Agency funds do not have fund equity accounts. In governmental type funds, the reserved fund balance accounts indicate that a portion of the fund balance is not available for appropriation or is legally segregated for a specific future use. The Unreserved Fund Balance Account represents the amount which is available for reappropriation.

#### Proprietary Funds / Accounts 920 - 940

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| 921 | <b>Invested in Capital Assets, Net of Related Debt.</b> An equity account in a proprietary fund representing total capital assets less accumulated depreciation and less debt directly related to capital assets, such as capital leases. |
| 930 | <b>Restricted Net Assets.</b> The accumulated earnings of the Proprietary Funds which have been retained in the fund and which are reserved for a specific purpose.   |
| 940 | <b>Unrestricted Net Assets.</b> The accumulated earnings of the Proprietary Funds which have been retained in the fund and which are not reserved for any specific purpose.   |

#### Governmental Funds / Accounts 950-972

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| 951 | <b>Fund Balance - Reserve for Inventories.</b> A reserve established equal to the balance in the related asset accounts 220 and 230 when the purchase method of accounting for inventories is used. This account may not be used if the consumption method of accounting is used. See Topic 5-0600.         |
| 952 | <b>Reserved.</b>  |
| 953 | <b>Fund Balance - Reserve for Encumbrances.</b> A reserve which segregates a portion of a fund balance for commitments related to purchases of personal property or construction in progress. See Topic 5-0400.   |
| 954 | <b>Fund Balance - Reserve for Endowments.</b> A reserve representing the amount of endowment principal that is legally restricted for endowment purposes. Use only in Permanent Endowment Fund (45) and Private Purpose Trust Fund (81).  |
| 960 | <b>Fund Balance - Reserve for Non-Current Assets.</b> A reserve which segregates a portion of a fund balance to indicate that non-current assets are not available for appropriation. The balance in this account must be equal to the balances in the related non-current asset accounts.                  |
| 961 | <b>Fund Balance - Reserve for Operations.</b> A reserve established by the Board of Trustees which segregates a portion of a fund balance to provide operating reserves in accordance with Section 20-9-104, 20-10-144, 20-9-501(3), and 20-7-713, MCA. See reserve limits specified in those MCA sections. |

## CHART OF ACCOUNTS

### 3-0400.10 DEFINITIONS OF BALANCE SHEET ACCOUNTS (cont'd)

- 963 **Reserve for Unused Protested/Delinquent Taxes.** A reserve established by the Board of Trustees which segregates a portion of a fund balance as provided in Section 20-9-104, MCA, for the unused receipts of taxes protested in a prior fiscal school year, and unused receipts of delinquent taxes. Penalties and interest received with delinquent and protested taxes may be included in the reserve; however, interest earned on the reserve itself once it is retained by the district may not be included in the reserve. Retain documentation to verify this reserve.
- 964 **Reserve for Unused Tax Audit Receipts.** A reserve established by the Board of Trustees which segregates a portion of a fund balance as provided in 20-9-104(56), MCA for unused receipts from a Department of Revenue tax audit. Penalties and interest received from the tax audit may also be included; however, interest earned on the reserve itself once it is retained by the district may not be included in the reserve. Retain documentation to verify this reserve.
- 966 **Reserved.**
- 970 **Unreserved Fund Balance.** The excess of the assets of a fund over its liabilities and reserves. The Unreserved Fund Balance account represents the amount which is available for reappropriation.
- 971 **(Reserved.)** See revenue source code 9710 for recording residual transfers in and expenditure program code 999, function 9999, and object 971 for recording residual equity transfers out.
- 972 **Budgetary Fund Balance.** This account is used to record the difference between the 401 Estimated Revenues and Other Financing Sources account and the 801 Appropriations account. This difference should equal the amount of fund balance reappropriated or the anticipated increase to operating reserves. The balance in this account must be zero after the 401 and 801 accounts are closed to this account at fiscal year end.
- 980 **Assets Held in Trust.** This account represents the net assets for fiduciary funds. The balance in this account is the difference between the total assets and total liabilities of the fund. The title of the account depends on the type of fiduciary fund:

Pension Funds: "Assets Held in Trust for Pension Benefits"

Investments Funds: "Assets Held in Trust for Pool Participants"

Private Purpose Trust Funds: "Assets Held in Trust for Other Purposes"